



State of California  
**Employment Training Panel**

Training Proposal for:  
**Erin L.L.C., dba DirectBuy of South Bay**

**Agreement Type: Small Business**

**Agreement Number: ET09-0205**

Panel Meeting of: **July 25, 2008**

ETP Regional Office: **North Hollywood**

Analyst: L. Vuong

**CONTRACTOR:**

- Type of Industry: Services:  
Priority Industry: ☐ Yes ☒ No
- Contractor's # of Full-Time Employees: 22
  - California: 22
  - Worldwide: 22
  - Number to be trained: 22
- Turnover Rate: 0%
- Repeat Contractor: ☐ Yes ☒ No

**CONTRACT:**

- Training Project Profile: SET/Retrainee
- ETP Funding Amount: \$29,040
- In Kind Contribution: \$65,550
- Average Cost per Trainee: \$1,320
- Post Retention Wage Range: \$23.36 to \$75.00 for all Job Numbers
- Health Benefits: \$3.31 per hour
- Occupations to be Trained: Sales Representative, Administrative Staff, Warehouse Staff, Product Specialist, Designer, Manager, President/Owner
- Training Menu:
  - ☒ Computer ☐ Management
  - ☐ Commercial ☒ Business
  - ☒ Cont. Improvement ☐ Other:
- Range of Hours: 8 to 60 Weighted Avg: 60
- Multiple Job Numbers: ☐ Yes ☒ No

- County(ies) Served: Los Angeles
- Union Representation: ☐ Yes: ☒ No
- Subcontractors: Ocean Consulting Group - Temecula, will provide administration services for the amount not to exceed 13% of payment earned and training for an amount to be determined.
- Third Party Services: Ocean Consulting Group also assisted with ETP Application and helped prepare the training plan for a flat fee of \$5,000.

## **INTRODUCTION**

Erin L.L.C., dba DirectBuy of South Bay (DirectBuy of SB) is a privately owned company franchised by DirectBuy Inc. DirectBuy of SB in El Segundo is a new location opening in July 2008. The chief revenue source of the business is membership sales. Members can shop for products through a secure website or go into a DirectBuy showroom to order products. Members buy directly from manufacturers through the company. DirectBuy does not mark up or make profits on orders of products.

The company's representative states ETP funds will permit the company to create a more comprehensive training program which will cover a broad spectrum of business skills for all levels of employees. The company anticipates that training will provide efficiency and achieve customer satisfaction.

## **COMMENTS:**

### **Frontline Workers**

All participants in this project meet the Panel definition of frontline workers under the Title 22, California Code of Regulations (CCR), Section 4400(ee).

DirectBuy of SB plans to retrain 22 workers who qualify as SET High Wage Frontline Workers.

### **Wage Criteria**

The Panel may use commission earnings to determine a trainee's hourly wage if there is a reliable history of commission payment by the employer and if actual payment can be verified in accordance with Title 22, CCR, Section 4418(b).

Trainee's wages must be equivalent to ETP's SET Frontline Worker State Average Hourly Wage of \$23.36 an hour.

## **RECOMMENDATION**

For the reasons set forth above, staff recommends approval of this proposal.